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# The IR Journal

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Volume 2 Issue 2

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## NEW IR STRATEGIC PLAN UNVEILED

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### Performance Measures PIT Taking Aim

A Process Improvement Team (PIT) was chartered in FY96 to develop Performance Measures for the Army's Internal Review Program. **Mr. Robert Barnhart**, ASA(FM&C), has headed the PIT that included the following members:

- **Colonel Conrad Johnson**, USPFO for Colorado
- **Mr. Jim Philpot**, Dep RM for USARPAC
- **Mr. Frank Bona**, Chief, IRAC, USARC
- **Mr. Bill O'Hare**, Chief, IRAC, USA Signal Command
- **Ms. Donna Rovere**, Chief, Huntsville AO, COE
- **Mr. Mike Hamm**, USAAA
- **Mr. Charles Seitz**, Chief, IRAC, OKNG

The first two members listed above are IR customers.



The customers brought unique perspectives to each meeting that may not have been adequately addressed without them. The group's dynamics have been exciting and contributed greatly to the results achieved and anticipated. In fact, **Mr. Richard Chambers**, the Director, Internal Review and Management Control (SAFM-FOI), decided to have customers on most PITs chartered in the future. He has also decided to establish a IR Customer Steering Group at Army level to help ensure that IR auditors understand, stay in touch with, and meet our customers' needs.

Performance Measures recommended by the PIT will be presented at the Symposium on Tuesday, 25 March.

### New IR Strategic Plan Issued



The Army's Internal Review Program walks to a different beat these days. That's due to a totally new Strategic Plan that was crafted by a select committee brought together at Fort Belvoir in November by Mr. Chambers. At the core of the new Plan is -

#### The New IR Vision

*"To be the premier source of objective, reliable and timely information for Army decision-makers."*

This vision is to be supported by five IR Strategic Goals. They are -

1. ***Be valued members of the management team.***
2. ***Identify current and emerging needs of Army decision-makers and deliver the services to meet them.***
3. ***Achieve unsurpassed quality.***
4. ***Streamline processes to ensure delivery of timely and relevant products and services.***
5. ***Market IR capabilities.***

Each of these goals have a number of supporting actions that will be accomplished at the DA level. MACOM IR offices have been asked to prepare local supporting actions. This latter initiative should ensure that all IR offices are working towards the same vision.



## *Proactive Means Getting Involved!*

How many times have you heard an IR auditor say, "Managers should get us involved up front." Or they may be heard saying, "Where can I learn about these new systems?"

TRADOC IR auditors arise! SARSS-O is soon coming to a location near you. What are you going to do about it?

Well, if your of a proactive nature, you'll grab your financial background and get involved with the SARSS-O Team up front. Become part of the installation team and not only learn the system from the ground up, but help managers with your knowledge and skills in the process.



See December's issue of *The IR Journal* for an article entitled "All Aboard the SARSS-O Train. (Page 4)

## *Challenges*

(submitted by Mr. Frank Bono)

The DODIG Semiannual Report To Congress for the period 1 April through 30 September 1996 reports these future challenges:

**Challenges Facing the Oversight Community:** The DOD internal audit, evaluation and inspection community consists of the IG, DOD; Army Audit Agency; Naval Audit Service; Air Force Audit Agency; and other Defense and Military Department internal review and inspection organizations. All DOD internal oversight organizations face

*"We must work together towards change or become bugs on the windshield of history."*

-Robert F. Allen

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generally the same major challenges. Examples of those challenges include:

- Balancing increased workloads with shrinking personnel and budget resources,
- Obtaining and retaining sufficiently trained personnel and adequate technological and information resources to keep pace with the rapid technological advances in the Department, and
- Overcoming false perceptions that auditors, evaluators and inspectors function as enforcers of an obsolete, overly restrictive system of controls, instead of change agents.



**Challenges in Acquisition Oversight.** The primary DOD management challenge in the acquisition oversight issue area continues to be the need to get acquisition costs down so the Department can afford a more robust weapon systems modernization program.

**Challenges in Finance and Accounting.** The primary DOD management challenge in the finance and accounting system issue area is to achieve the process and systems improvements set

forth in the DOD Five-Year Financial Management Improvement Plan, as that will ensure compliance with the Statements of Federal Financial Accounting Standards.

### **Challenges in Forces**

**Management.** The primary DOD management challenges in the logistics issue area are to achieve a leaner infrastructure that better balances public/private capabilities; to develop systems that are better integrated to provide reliable, flexible, cost effective and prompt logistics support to the warfighters; and to develop better, faster, more reliable and highly mobile response capability.

### **Challenges in Information Technology and**

**Communications** The primary DOD management challenge in the information technology and communications issue area is to improve the integration of systems and to migrate to technologically improved systems with controllable costs.

**Challenges in Health Care** The primary management challenge is to maintain medical readiness while providing peacetime care to all beneficiaries despite the trend of increasing health care costs and level budget forecasts. TRICARE is one of the primary management initiatives to meet the challenge.

### **PUZZLES WE'VE SEEN**

Can you decipher the hidden meaning?

**MIGRAINE**

## *Management Control Corner*

*by Mike Petty*

Army Management Control Administrators Course - We have been working with the USDA Graduate School for the last



few months to develop a course aimed specifically for Management Control Administrators. The two day course is designed to provide Management Control Administrators with the tools they need to perform their job. We are scheduling the pilot course for 11-12 Mar 1997 at HQ USACE, Pulaski Building, Room 8222, Washington, DC. We've invited a cross-section of HQDA, MACOM and installation personnel to attend this pilot course. We plan to teach this course starting in late spring/early summer. Details on location and cost will be provided through management control channels.

Management Control Evaluations - HQDA functional proponents have recently finalized Management Control Evaluation Checklists for two very important functions within the Army (AR 215-1, Morale, Welfare and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFI) and AR 25-1, Information Resource Management Program). We provided the following information

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and each checklist over our management control network:

- Management Control Evaluation Checklist for AR 215-1, Morale, Welfare and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFI) - For over two years the ACSIM has been working on this evaluation. After many meetings and a lot of hair pulling, the job is complete. Thanks, in a large part, to the efforts of Ms. Shirley Blankenship, US Army Community and Family Support Center, we have a final product. It was sent to each MACOM by memorandum CFSC-SP, 24 January 1997, Subject: Management Control Evaluation Checklist - AR 215-1.
- Management Control Evaluation Checklist for AR 25-1, Information Resource Management - I've been advised by Mrs. Ronnie Gerstein (DISC4), that on 28 January 1997, the SECARMY signed AR 25-1 and it's off to the printers. This AR has been in-process for some time, and as you may know, the passage of the Chief Information Officer Act of 1996 (I hope that's the right title) has rapidly changed the Army's Information Management functions. That's the long way of saying, use your judgment in applying the management control evaluation checklist. Some areas within this checklist (Information Architecture Implementations, Planning Process, Automation Management and

Telecommunications Management) may contain test questions that are outdated by the passage of the Act. We will work with the DISC4 to update this checklist.

- On a related issue, USAAA has recently issued an audit report on *"Controls Over the Acquisition and Use of Cellular Telephones and Pagers"*, Audit Report: AA 97-46. We worked closely with USAAA in their development of Audit Objective B - Key Management Controls. The DISC4 has agreed to add some key management controls on cell phones and pagers, when we update the AR 25-1 checklist. For your information, someone on the audit team got carried away and put a management control checklist at Appendix B of this report. These **ARE NOT THE KEY MANAGEMENT CONTROLS**. I've been advised by USAAA, that you **WILL NOT** see this type of Appendix appear in future audit reports. USAAA is not going back to the old "add a checklist" mode. Having said all that, if any of the test questions in the Appendix will help you evaluate management controls for cell phone and pagers please feel free to use them.



FY 1996 Army Resource Management Awards - Our Management Control Administrator Community did very well last year.

CONGRATULATIONS to **Ms.**

**Anita Stevens** INSCOM, for MACOM Resource Management; **Ms. Peggy Johnson** USAREUR, for MACOM Management Analysis, and **Mr. Michael Petty** for Resource Management Educator of the Year.

## IR Roundup

### Awards -



- Congratulations! to **Mr. Nayer M. Mahmoud** and **Mr. Joe Voss** of the USARAK IR AC Office. They were certified by the Association of Government Accountants as Certified Government Financial Managers.
- Congratulations are in order for **Mr. William L. Whanger, II**. He was awarded the Certified Internal Auditor designation for passing the CIA exam in Nov 96.

Congratulations go to **Mr. Frank J. Bonq**, Chief, Internal Review and Management Controls, USARC. Frank was accredited as a Certified Fraud Examiner in Dec 1996.

- Mr. Maurice "Sam" Kliewer**, Auditor, with 25 years plus of civil service has joined the Institute of Internal

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Auditors and received his Certified Government Financial Manager Certificate, Jan 1997.

- Let's extend a hearty congratulations to **Mr. Naresh Patram** of the Fifth Army IR Office was designated a Certified Government Financial Manager in Nov 1996.
- Cheers also go out to **Mr. Lamar Brickhouse** HQ, U.S. Army Corps of Engineers, Huntsville who received the Certified Fraud Examiner (CFE) Certificate in Sep 96 and the Certified Government Financial Manager (CGFM) in Dec 96.
- Upon her departure from the USARC IR Office, **Ms. Gwen Pleban** was presented the Commander's Award for Civilian Service. Congratulations Gwen!

### Changes -

- Effective 18 February 1997, the HQ FORSCOM Audit Liaison Office's telephone number changed. The new telephone numbers for **Mr. Jeff Gladden** are: Com'l 404-464-2492 and DSN 367-2492; FAX: Com'l 404-464-2866 and DSN 367-2866
- Mr. Bill Porter**, Senior Auditor with 33 years government civil service is now (through consolidation) auditing for not only AMEDD C&S but also for Fort Sam Houston. His office is at Garrison, Fort Sam Houston.

- **Mr. Tilden Jio** lateralled to the MEDCOM audit position located at OTSG on 3 Feb 97.

## Promotions -

- Must have been a promotion we had no promotion reported.



## Hail -

- **Mr. Fred Carballo** New IR Chief for HQ USARPAC. Fred reported for duty on 18 Feb 97 from the USAAA.
- **Mr. Albert Dordan** and **Ms. Sherry Harrison** joined the USARAK IR staff during Feb 97.
- **Mr. Mike Bamber** transferred to HQ USAREUR IRACO from the 98th Area Support Group. Wuerzburg, Germany in Sep 96. Mike is a Certified Internal Auditor, Certified Information Systems Auditor, Certified Government Financial Manager, and a Certified Fraud Examiner..
- **Mr. Greg Procopi** accepted an audit supervisory position at HQ USAREUR IRACO. He arrived in Dec 96 from HQ TRADOC. Greg is a Certified Public Accountant in the Commonwealth of Virginia.
- **Mr. Peter Misch** rejoined the Army and returned to Germany during Dec 96. Peter transferred to HQ USAREUR IRACO from the Air Force Audit Agency at Vandenburg AFB, CA.
- **Mr. Frank Loeb** reported for duty as a senior auditor at HQ

USAREUR IRACO during Jan 97. Frank came to USAREUR from the IG, DoD at Washington, DC

- **Mr. Jim O'Connor** accepted a senior auditor position at HQ USAREUR IRACO during Dec 96. Jim had served as senior auditor with DCAA in CONUS and Germany, and with IG, DoD at Denver. CO.
- **Ms. Corlis J. Alexander** joined the IR Office, MEDDAC, Ft. Stewart as a DA intern on 21 Jan 97. She comes to Army IR from a position as internal auditor with the State of Georgia hospital system. She has a BBA and MBA (Acctg) from Georgia College, Milledgeville, GA.
- **Ms. Elizabeth Robinson** began an internship at the IRO, MEDDAC, Ft Benning on 21 Jan 97.
- The Internal Review Division, USP&FO for New York would like you to join them in welcoming **Mr. Bill Book** to the Internal Review community. Bill comes to us from our Fiscal Accounting Section.

*"The future is like heaven - everyone exalts it, but no one wants to go there now."*

**Farewell -** - James Baldwin

- Effective 16 Mar 97, **Ms. Gwen Pleban** secretary/office manager with the USARC IR Office in Atlanta, will be transferring. For the past 5 years, Gwen, who lives in Columbus, GA, drove over 200 miles each day to the

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USARC. Her new job will be as secretary/ office manager in the TRADOC Systems Manager (TSM)- Antitank Missiles, U.S. Army Infantry Center at Ft. Benning, GA, about 199 miles closer to her home in Columbus! Her new former boss, **Mr. Frank Bono** says: "She WILL be missed. "



- **Ms. Dorothy Hardaway** secretary in the HQ MEDCOM IR office retired on 3 Feb 97. She would have had 31 years on 9 Feb 97 but she had to be off the rolls by 3 Feb 97 to qualify for the VSIP. She had substantially more than a year of sick leave credit and retired with well over 32 years of creditable service. She worked in MEDCOM IR for approximately 2 years prior to her retirement. She held numerous other positions in her Federal Government career -- all in the San Antonio, TX area.

According to **Mr. deWayne Beers**, Dorothy said she was going to come into the office to do her knitting and save on utilities.

- Rumor has it that **Mr. Doug Peyton**, AESG IRAC, Stuttgart will be retiring on 30 June 1997.

## Vacancies -



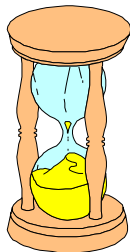
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- 8th Army IRACO Announcement #S-96-11-119A (IRO) Open until filled. Submit application, SF50 & latest appraisal to: Seoul CPO Unit #1533, ATTN: EANC-SA-CPR, APO AP 96205-0177
- Mr. **James Dorovich** has advised us that he has a GS-12 Auditor position vacant at the 100th Area Support Group in Grafenwoehr, Germany. Jim can be reached at - aettir2@email.grafenwoehr.army.mil
- The 98th Area Support Group located in Wuerzburg, Germany currently has two GS-11 audit positions vacant. Positions call for a three year tour of duty with the 98th ASG. If interested, contact **Mr. Gordon A. Uscierat** email: audit1@email.wuerzburg.army.mil or DSN 351-4393. You can also contact **Ms. Karin Walker** at the Civilian Personnel Office (email address is kwalker@cpsc.kitzingen.army.mil). Her DSN is 355-8356. Gordon says: "We have a good office serving a great command in the heart of Bavaria, Germany."

## Personals

- Rumor has it that **Mr. Jim Cleven**, NAHSSA, became a grandfather on 14 Jan 97. According to **Mr. deWayne Beers**, HQ MEDCOM, the baby boy's name is Austin and he has the same hair (or scalp) style as his granddaddy's.

- **Mr. Jeffrey Weber** Senior Auditor, Fort Sam Houston Garrison Internal Review, recently surpassed 15 years of Government service.



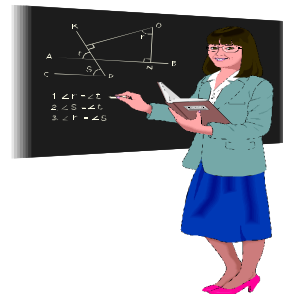
- **Ms. Ruth Darling** IRO MEDDAC, Ft. Stewart completed 25 years of federal service on 15 Dec 96. Also, we've learned that Ruth's son is "tying the knot" in California the week after the Symposium.
- In the same office, **Ms. Lelia Jones**, IRO MEDDAC, Ft. Stewart, completed 15 years of service on 28 Dec 96.



## The Training Corner

by Michelle Doyle

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Two additional **DA Audit Leadership Courses** (aka AFAA Advanced Course) have been scheduled for 21-25 April and 14-18 July 1997. These courses are held at March AFB, CA. Quotas have been distributed to MACOMs.

The **Basic Report Writing Courses** scheduled for 9-13 May will be combined with the course scheduled for 9-13 June. The combined course will be held at the USAAA Operations Center, Alexandria, Va. Quotas have been distributed to MACOMs.

## True or False

Don't give up! All the answers will not be False. Hang in there and use your best judgment. Now here's this quarter's question -

True or False -

The steamboat was not invented by Robert Fulton but rather by James Rumsey and John Fitch who operated their crafts on the Potomac and Delaware Rivers, respectively.

Answer on page 9

**Preventing Fraud, Waste, and Abuse Without Creating**

## the 'Big Brother's Watching You' Syndrome

by Mr. Frank Bono

### INTRODUCTION.

In order to discuss the prevention of fraud, waste, and abuse without creating the "Big Brother's Watching You Syndrome," we need to start with some definitions.

**Fraud** is intentionally misleading or deceitful conduct that deprives the Government of its resources or rights (Army Regulation [AR] 11-2).

**Waste** is to consume, spend, or employ uselessly or without adequate return (AR 11-2).

**Abuse** is intentionally wrongful or improper use of Government resources (AR 11-2).

**"Big Brother,"** from a local commander's point of view, is someone external to the local command who reports fraud, waste, and abuse, when found, to higher levels of command or governmental organizations. The General Accounting Office (GAO) is a Big Brother. They report their findings to Congress. The Department of Defense Inspector General (DODIG) is a Big Brother. They report their findings to the Secretary of the Army and his staff. The United States Army Audit Agency (USAAA) also is a Big Brother. The USAAA reports

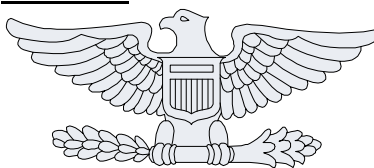
*"Nobody goes there anymore, it's too crowded."*

- Yogi Berra

their findings to local commanders. But they also report them up through the local commander's chain of command and Department of the Army, Secretariat and Staff levels.

Congress also has access to USAAA reports, however. In summary, from a local commander's perspective, I am defining "Big Brother" as someone external to a local commander's command and control; specifically, someone whose reporting he cannot control.

### LOCAL COMMANDERS' SOURCES.



A local commander can prevent fraud, waste, and abuse through two sources that are internal to his command and control, that is, not "Big Brothers." These two sources are his Internal Review (IR) Program and his Management Control Process (MCP). Using these two "internal" sources, a commander identifies and corrects his own fraud, waste, and abuse problems.

### INTERNAL REVIEW

The Army established an Internal Review Program in 1946. Its primary function was counting cash and performing selected voucher reviews on nonappropriated funds. It has evolved into the fully functional internal audit department of an organization.

Almost all Army commands and activities have their own Internal Review office. These "internal audit" offices are comprised of professional auditors working directly for the commander, principal deputy commander, or chief of staff. Internal Review offices provide their commanders and his staff with a full range of internal auditing services. These services include: full-scope audits

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performed in accordance with generally accepted auditing standards; quick response audits that are more limited in their scope and more time sensitive; consulting and advisory services, and liaison with the "Big Brother" external audit organizations discussed earlier.

Commanders at all levels are responsible for accomplishing their mission and for effective stewardship, that is, safeguarding, accounting, and proper use, of resources provided them for mission accomplishment. The objective of the Army's Internal Review Program, as defined in AR 11-7, is to provide commanders and their staffs with a full range of professional internal auditing services that are timely and that facilitate effective stewardship.

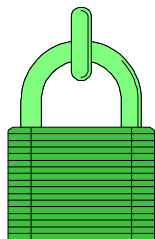
The Budget and Accounting Procedures Act of 1950 requires the establishment and maintenance of adequate systems of internal or management controls. Internal Review is a commander's key management control. It serves commanders by testing other systems of controls and develops new or modifies current controls to minimize or eliminate exposure to fraud, waste, and mismanagement.



Internal Review auditors follow government auditing standards published by the Comptroller General of the United States. One of these standards requires auditors to always be alert to situations or transactions that could be indicative of illegal acts or abuse. The standards prescribe the policies and procedures that

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auditors must follow when illegal acts are indicated or actually found.



## MANAGEMENT CONTROL PROCESS.

The other “non-Big Brother” source available to a local commander is the Army’s Management Control Process. Thirty-two years after Congress enacted the Budget and Accounting Procedures Act, they passed the Federal Managers’ Financial Integrity Act (Integrity Act). Prior to this Act, the Office of Management and Budget (OMB) issued OMB Circular A-123, entitled “Internal Control Systems.” The OMB Circular and the Integrity Act were passed because there was an increasing awareness that strong systems of internal accounting and administrative controls can help to prevent fraud, waste, and abuse; and mismanagement in federal government operations. The Integrity Act has two basic requirements. First, it requires the

*“A people that values its privileges above its principles soon loses both.”*

- Dwight D. Eisenhower

establishment of management controls to provide reasonable assurance that:

(i) obligations and costs are in compliance with applicable laws;

(ii) funds, property, and other assets are safeguarded

against waste, loss, unauthorized use, or misappropriation;

(iii) revenues and expenditures are properly recorded and accounted for; and

(iv) programs are efficiently and effectively carried out according to the applicable law and management policy. Second, it requires an annual report on whether these management controls are in place and working as intended. This annual reporting requirement also includes a report identifying any material weaknesses in these management controls along with plans for their correction.

The Army’s Management Control Process, described in AR 11-2, meets the requirements of the Budget and Accounting Procedures Act of 1950 and the Integrity Act. Prior to October 1, 1994, the Army referred to its implementation of these two Acts as the Internal Management Control Program. Effective October 1, 1994, Army refers to its implementation of these two Acts as the Management Control Process. The Army’s leadership made this change to place greater emphasis on management’s responsibility for effective controls, to counter the perception of management controls as a separate program, to increase accountability by focusing on the more critical key management controls, and to provide greater flexibility to commanders and managers in conducting management control evaluations.

Now may be an excellent time to define management controls. In a June 9, 1995 memorandum, the Honorable Joseph R. Reeder, The Under Secretary of the Army, defined management controls as “those rules, procedures, techniques, and devices we use to ensure that what should occur in daily operations

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does occur, as well as to curb fraud, waste, and abuse of Army resources.” In a January 14, 1994, memorandum, the Honorable Reeder stated “management controls are means to two fundamental ends: mission accomplishment and stewardship for our customers--the American people.”

How effective are management controls in preventing fraud, waste, and abuse? Here are some statistics from a 1994 Fraud Survey of over 3,000 United States companies. Percentages represent percent of respondents.

-- Fraud was discovered through internal controls [52%].

-- Poor internal controls allowed fraud to take place [59%].

-- Management override of internal controls allowed fraud to take place [36%].

-- Steps taken to reduce the possibility of fraud:

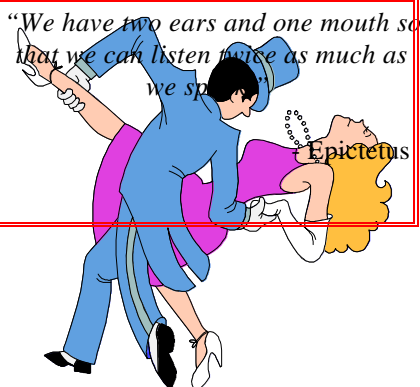
-- Reviewed and improved internal controls [47%].

-- Performed more fraud audits [33%].

-- Steps planned to reduce the possibility of fraud:

-- Review and improve internal controls [34%].

-- Schedule and perform more fraud audits [16%].



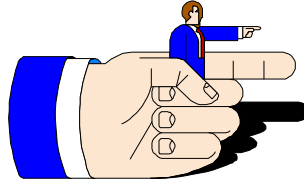
## RELATIONSHIPS BETWEEN INTERNAL REVIEW AND



## MANAGEMENT CONTROL PROCESS.

Our discussion so far has treated the commander's Internal Review Program and Management Control Process as two separate and distinct sources. Nothing could be more wrong!

As previously mentioned, Internal Review is in itself a management control. Internal Review auditors provide technical assistance and consultation on management controls to managers within their commands as necessary. During the normal course of audits, Government Auditing Standards require Internal Review auditors to review and report on management controls applicable to the scope of the audit, and to evaluate management's implementation of the Army's Management Control Process as it pertains to the audit's scope and objectives. Internal Review auditors also evaluate the adequacy of management control evaluations and actions taken to correct weaknesses identified. Internal Review auditors should also advise the commander of weaknesses in management controls detected by either internal or external ("Big Brother") audits that should be considered for reporting to the next higher level of command. Commanders also may task their Internal Review auditors to assess the thoroughness and validity of their annual statements. Commanders also may have organizationally aligned their Internal Review and Management Control Process functions into their Internal Review office. Finally, Internal Review audit reports can be used as an alternative method of evaluating management controls rather than the formal evaluation methods suggested by Headquarters, Department of the Army.



### SUMMARY.

Commanders can prevent fraud, waste, and abuse through their own Internal Review Program and Management Control Process. They do not need "Big Brother"!

(Note: This article was reprinted with permission of the author. It was originally written for the Army Management Staff College)

## *True of False*

Answer to Question on Page 6.

## *True!!*

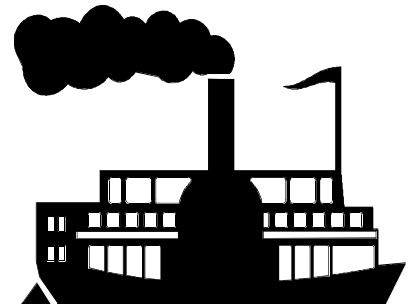
*"Not only did Robert Fulton not invent the steamboat but he does not even come close to deserving the credit. In fact, it was only after observing the success of others that in 1807 Fulton built his own, twenty years after James Rumsey and John Fitch had each run steamboats, on the Potomac and Delaware rivers respectively. Nor was it, incidentally, either registered as or ever referred to as the 'Clermont' either by Fulton or his associate, Robert R. Livingston.*

*How the name 'Clermont' came to be so firmly fixed to Fulton's boat is told by Ashley Montagu and Edward Darling in 'The Prevalence of Nonsense' (1967). As they remark, in effect, it is a fascinating if somewhat discouraging illustration of how popular error survives in the face of plain evidence to the contrary. Fulton's boat was registered*

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*simply, if prosaically, as 'North River Steam Boat.' Its first hailing port was the town called Clermont. But the boat itself was never so referred to by anyone - until a biography by one Cadwallader D. Colden, The Life of Robert Fulton was published in 1817, two years after Fulton's death. Nobody knows why Colden chose to call the boat by a name it never had. But he did; and from then on the error was fixed, to be eternally repeated in textbooks, reference works, and encyclopedia - including the Encyclopedia Britannica.*

*But grosser by far, of course, is the mistaken attribution of the invention of the steamboat to Fulton. Particularly sad is the*



*case of John Fitch; few have so obviously pioneered and been so obviously overlooked by succeeding generations. he got the idea in 1785; the next year his steamboat was operating on the Delaware River. In 1787 he built a larger boat, and by 1790 he was operating regularly scheduled and advertised trips carrying both passengers and freight between Philadelphia and Trenton. Several states granted him exclusive rights for boats propelled by steam.*

*But, unfortunately, he was ahead of his time. He could neither survive financially nor persuade anyone to back him. He died both broke and broken at Bardstown, Kentucky, in 1798.*

*Fitch died in obscurity because he could not put his idea*

across. Fulton achieved fame because he implemented and promoted the ideas of others. But when Fulton offered the steamboat idea to the great Napoleon, he turned it down as impractical. If Napoleon had recognized its value, perhaps he could have invaded England."

(*The Dictionary of Misinformation*  
Tom Burnam, Crowell Co, NY  
1975)



## Don't Get Left Out!

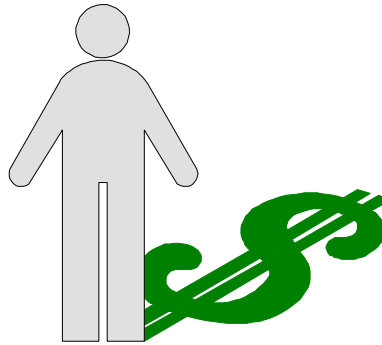
The next issue of *The IR Journal* will be published in June 1997. Don't wait until June however, to submit articles and information. We will begin putting together the June edition in late April. Avoid the rush! Get your office's input to us early.

## THE TRAVEL CHARGE CARD

by Mr. Bill Harris  
Special Assistant for Management Control

The Deputy Assistant Secretary of the Army (Financial Operations) (DASA(FO)) has Army responsibility for the

Government Travel Charge Card Program, which is operated under contract by American Express. The Army's recent performance has not been good, with delinquency rates rising significantly during the October 1996 to January 1997 period. As a result, many soldiers and civilians had their cards canceled by American Express, making travel less convenient and adversely affecting their personal credit records.



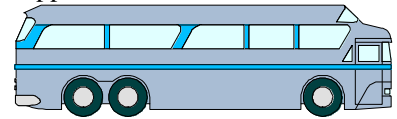
We're taking a number of actions to improve the situation. First, Mr. Ernest J. Gregory, DASA(FO), recently wrote to all Army Major Commanders, stressing the need for command emphasis, training and oversight. Second, policy guidance is being improved. DoD guidance is being published in Volume 9 (Travel Policy and Procedures) of the DoD Financial Management Regulation, and we are staffing a draft Army supplement that proposes some significant changes.

Third, training tools, to include videos and briefing packages, have been provided. We have taken action to make this training package available under a "Travel Card" button on the ASA(FM&C) Home Page (<http://www.asafm.army.mil/>). We will also work with Major Commands to arrange on-site training visits by American Express. We are exploring other training options, as well, such as the use of video-conferences

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and on-site assistance visits to selected activities.

Finally, as a last resort, it may be necessary to consider disciplinary action against cardholders who misuse their card or who fail to pay their account balances. The offices of the Assistant Secretary of the Army (Manpower and Reserve Affairs) and the Judge Advocate General are helping by providing guidance on how to deal with problem cardholders, which we will incorporate into the Army supplement.



The IR community can help by understanding the basic responsibilities of cardholders, commanders and managers, and assessing the performance of their organizations. Everyone must understand two basic facts. First, the card is for official travel only -- it is not for personal use (monthly reports from American Express can show if the card is being misused). Second, the travel card is a charge card, not a credit card. American Express is not extending credit and is not expected to carry balances forward each month. Balances are due upon receipt of the bill.

There are several critical things that commanders and managers should do. First, they must get actively involved -- they must understand the program and their role in it, emphasize its importance and clearly communicate the basic rules -- and their expectations -- to cardholders. Second, they should ensure that their people are trained. Finally, they should support their local Program Coordinator when problems with individual cardholders are surfaced.



The Government Travel Charge Card Program is vital to mission travel, but it's not difficult to understand or to operate effectively. Some commands are running effective programs, with minimal delinquency rates. Most commands, however, can do significantly better simply through greater command emphasis and increased training. One thing is certain -- the travel charge card (as the vehicle for getting advance travel funds) is here to stay. It's in our best interest -- the best interest of the soldier and the Army -- to make this program work.

"Prosperity is a great teacher,  
adversity a greater."



- William Hazlitt

## Annual ASA(FM&C) Golf Tournament Scheduled

The Honorable Helen T. McCoy, Assistant Secretary of the Army (Financial Management and Comptroller) will host her annual

ASA(FM&C) Golf Tournament on 2 May 1997, at the Andrews Air Force Base Golf Course. The contest will begin with a shotgun start at 0800 hours. The tournament will be played in a Captain's Choice-Four Player Teams format.

Don't worry if you're not a scratch golfer, we sell mulligans!

The cost will be \$45.00 per player and will include a "chicken and ribs" feast at the conclusion of play. There will be lots of prizes, including door prizes!

If you are in commuting distance or plan to be in Washington on the 2nd of May, come on out and enjoy a friendly round of golf with the FM crew. Call **Mr. Mike Petty** for your reservation at DSN 225-3225 or commercial (703) 695-3225.

*"Eternity is a terrible thought. I mean where's it going to end?"*

- Tom Stoppard

## The IR Journal

is an unofficial newsletter for the Army Internal Review community published by the Office of the Deputy Assistant Secretary of the Army (Financial Operations). Its objective is to keep readers informed of issues which may affect or have affected the Army's Internal Review Program, the internal audit profession or auditing in the Federal government. *The IR Journal* will not be used to announce new or revised Army policy. It will however, often discuss new or changed policies subsequent to official announcement.

The editorial staff would like to hear your comments or ideas on improving *The IR Journal*. We would also ask you to

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submit articles, questions, good news, lessons learned, innovative audit techniques employed, recommendations for training, or letters to the editor.

We ask DA Staff and MACOM Internal Review offices to provide us with information on promotions, awards, new assignments, births, marriages, etc. This is **your** publication, so please help us serve you better.

Please feel free to contact our editorial staff, **Bob Barnhart** and **Michelle Doyle**, at any time. They can be reached at DSN 225-2909, COMM (703) 695-2909/7693; FAX - DSN 223-1028, COMM (703) 693-1028; or e-mail BARNHRW@hqda.army.mil or DOYLEM@hqda.army.mil. Comments or questions pertaining to the Management Control Page can be directed to **Mike Petty** at DSN: 225-3225; COMM (703) 695-3225; or e-mail PETTYTM@hqda.army.mil. Mike's FAX number is the same as shown above.